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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

NIC 1598-83
9 March 1983

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

THROUGH : National Intelligence Officer for Warning

FROM : David D. Gries
National Intelligence Officer for Narcotics

SUBJECT : Narcotics Warning Assessment

The following items were discussed by Community Representatives at the 24 February Warning Meeting.

I. Warning -- There are no narcotics related warning topics at this time.

II. Regional Developments

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B. Deputy Assistant Secretary of State Clyde Taylor presented an overview of the recent Vienna UNCNB Conference and reported that there is support for increased emphasis on initiatives to control cocaine use in Italy, Sweden, Norway, Spain, and Peru. Italy insisted that crop substitution will not work unless governments comply with treaty obligations. Conference resolutions on drug mislabeling, ship registration, and amendments to the Psychotropic Convention were passed. Other issues under consideration included the possibility of an UNFDAC Donor Meeting. DAS Taylor said the current position on the Single Convention on Narcotics and the Psychotropic Convention is to address inadequacies in both and amend the treaties through consensus procedures. Action programs continue on demand reduction, transit problems, scientific research, opiates supply, and the area of illicit drug reduction.

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C. [] of CIA discussed her recent trip to Colombia. [] indicated that there is an unexplained Colombian cocaine market glut without an accompanying US retail price reduction, and suggested that a warning assessment should be considered if the situation continues for the next six to twelve months or less. Interest may also be focused on rather incomplete information that local insurgents are becoming more involved in narcotics trafficking and may have used profits to expand bases and arms inventories. US mission officials [] concurred that Colombian narcotics eradication programs and plans finish low on a list of President Betancur's priorities. Of primary concern are economic considerations, domestic security/common crime, foreign relations, and a continuation of present policies. [] noted that the most promising approach to narcotics control in the area involves steps to improve intelligence to permit seizure of large shipments, action against drug financing outside the country, more emphasis on implementation of treaties to extradite offenders to the US, and for the US "to set an example." [] reported that the trip was highly productive.

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III. Plans for Interagency Work

A. John Wiant of State spoke on a possible estimate to address the significance of the European Cocaine situation. Mr. Wiant and other representatives suggested that principle trafficking routes into Europe be considered along with a focus on links to international organized crime. Possible European terrorist connections and the implications of bi- and multi-lateral US aid programs were also mentioned.

B. [] CIA discussed the outline for a primer on collection of financial flow information and exploitation of vulnerabilities. [] reported that drafters from CIA, DEA, and Treasury plan to complete the project by early April. Current views for major emphasis include: total revenue from illicit drugs sales, recipients of profits, methods by which revenues are laundered, and exotic methods of transferring funds. The aim is to explain how financial flows move so that field collectors from DEA, CIA and others can attack vulnerabilities in the system.

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